



LEGISLATIVE UPDATE

August 28, 2015

This week was packed with heated negotiations on the public education budget, and there will definitively not be a budget by Monday, August 31. The General Assembly has kicked the proverbial can down the road a third time with its new [Continuing Resolution](#) (CR), incorporating the provisions of the last two CRs; this time expiring on Friday, September 18. Of the progress made on public education spending, House and Senate leadership announced the following news this week to be included in any final budget for 2015-16:

1. \$750 bonus for teachers and state employees (no across-the-board raise);
2. Fully funding the teacher and school-based administrator salary steps;
3. Hold harmless payments for teachers, ensuring that they are not paid less this year than last school year;
4. A potential deal for funding Driver Education (details unknown and unpublished);
5. A compromise spending target for Education in 2015-16: \$12,012,200,067*
(*adjusted with salaries and benefits removed, and includes community colleges and universities. Notably, this new target is roughly \$142 million *lower* than the House's prior target and \$142 million *higher* than the Senate's prior target – they split the difference.)

News sources reported these items on Wednesday night with two charts of the breakdown: [2015 Salary Compromise](#) and [2015 Budget Targets](#). Big stumbling blocks remain with no agreement on teaching assistant funding, Medicaid reform, tax reform, and the bond package. Health and Human Services/Medicaid negotiators reported progress as of Thursday night, but Education negotiators did not. House and Senate leadership may work over the weekend, and they will undoubtedly still be laboring over the budget through Labor Day weekend.

Before it is too late, please contact your legislators on final education spending priorities (contact information [here](#)). Also, shoring up our [House](#) and [Senate](#) Education Appropriations Chairs will be helpful. Please see the "[Comparison of the 2015-16 Proposed Budgets](#)" for line item spending differences in the original House and Senate proposals on K-12.

Relevant Bills on the Floor This Week:

[SB 15](#) Unemployment Insurance Law Changes

On Thursday, the Senate concurred with House changes to SB 15, giving final legislative approval. It will now go to the Governor's desk. The bill enacts various changes (substantive and technical) to the state's unemployment insurance laws. As amended by the House, recipients of unemployment compensation will be required to make at least five job contacts with potential employers each week when receiving this benefit (current law requires only two contacts). The bill sets forth new statutes regarding the "Board of Review," which regulates appeals policies and hears appeals of decisions made by the

Division of Employment Security. In an effort to build up state reserves for future benefits, the bill also seeks to accelerate the elimination of a tax surcharge on businesses.

[HB 117](#) NC Competes Act

Last week, the House failed to concur with Senate changes to HB 117. The legislature finalized its [conference committee](#) this week to resolve the chambers' differences. The 16-page bill is a broad economic development package and, among other things, would redistribute local sales tax revenue across the state in a 50:50 ratio, versus the current distribution (25% per capita and 75% staying in the point-of-sale). The original Senate proposal from earlier in the Session would have allocated 80% of the revenue based on population and left 20% in the point-of-sale. The 50:50 distribution is a compromise proposed by the Senate. The General Assembly's Fiscal Research staff compiled a [chart](#) showing the bill's potential impact to localities across the state.

Relevant Bills in Committee This Week:

[SB 298](#) School Bus Cameras/Civil Penalties

On Wednesday, the House Judiciary III Committee amended and approved SB 298; it is now referred to House Appropriations. The bill would allow counties to adopt an ordinance for the civil enforcement of passing a stopped school bus by means of an automated school bus safety camera installed and operated on any school bus located within that county. Counties could not impose a civil penalty against a driver charged criminally for the same act. As amended, the bill:

- Sets the penalty at \$400 (\$500 previously) for a first violation, \$750 for a second violation, and \$1,000 for any succeeding violations.
- States that criminal prosecution, as opposed to a civil fine, is the preferred method of enforcement when photos or videos from the bus cameras identify the driver.
- Removes previously added prohibitions on employees of the county, school system, or bus camera vendors from being empaneled to decide official challenges to the civil fines.

Other Bills with Action This Week:

[SB 508](#) Amend Bail Bonds Laws

- Heard by House Judiciary III for discussion only

[SB 519](#) Amend Child Custody Laws

- Amended and approved by House Judiciary III
- Re-referred to House Rules, Calendar, and Operations

[SB 652](#) Prohibit Re-Homing of an Adopted Minor Child

- Heard by House Judiciary III for discussion only

Meetings Next Week (August 31 – September 4):

Wednesday, September 2

- 3:00 p.m. Joint Legislative Program Evaluation Oversight Committee
 - Agenda: Supplemental Insurance Benefits, Retiree Health Liability, State Vehicles

Contact Information:

Rachel E. Beaulieu
Department of Public Instruction
Legislative & Community Relations Director
919-807-4035
Rachel.Beaulieu@dpi.nc.gov

Zane B. Stilwell, II
State Board of Education
Legislative Relations & Policy
919-807-4068
Zane.Stilwell@dpi.nc.gov

Anne Murtha
Legislative Assistant
919-807-3403
Anne.Murtha@dpi.nc.gov